

Memorandum To: Ms. Eileen I. Klein
Deputy Chief of Staff, Finance
Director, Office of Strategic Planning and Budgeting (OSPB)

From: Dr. Rufus Glasper,
Chancellor, Maricopa Community Colleges

Re: Request for Budget Reduction Information from Community Colleges

Date: October 9, 2009

As the chair of the Arizona Community College President's Council (ACCPC), I am forwarding you the information we have assembled on the impacts of an additional 15% reduction in State support to community colleges during fiscal year 2009-10.

Since June 2008, state support to Arizona's community college system has declined by a net of \$34 million or 21% (this includes growth in equalization aid and the 50% reduction to dual enrollment funding that takes effect in FY10-11). The national and local recession also has negatively impacted community college resources with declining property tax growth and/or restraint on tuition rate increases. Prior and possible additional State aid reductions come at a time of extraordinary enrollment growth. All of the 10 ACCPC member college districts are experiencing substantial growth; in fact, 7 districts are growing at a rate greater than 10%. Additional budget reductions will compromise our ability to meet this growing demand and achieve our core mission to help train and re-train our State's workforce, as we come out of this recession.

Since our districts are in the early stages of budget development for fiscal year 2010-11, we are unable to provide detailed, finalized plans for dealing with a potential additional 15% mid-year State aid reduction in January 2010. We have, however, identified the types of expenditures and service areas that we are reviewing for potential reductions, along with impacts of those reductions.

Given the reductions to date and the likelihood of still greater additional cuts, all areas of spending are under careful examination. Some of the specific areas under review by several of the districts include:

- ***Reductions in student scholarships***, which may mean some students will not be able to afford to attend college or may take longer to complete their courses of study;
- ***Reductions in preventive maintenance***, which means our facilities will not be maintained properly and will require more costly major maintenance later (i.e., replacement of plumbing, HVAC, and other mechanical systems as well as building

structures such as roofs). This comes even as all state capital state aid has been suspended and therefore we lack full funding for these more costly projects;

- ***Reductions in student services*** such as tutoring, counseling, advisement. These services are essential to helping many students get the additional support they need to successfully complete courses and programs and receive the education and training they are seeking;
- ***Reductions or elimination of new programs*** even as enrollment increases are at double-digit levels in most districts, meaning our ability to serve students and provide needed training will be restricted;
- ***Postponement of purchases of technology*** and implementation of new systems due to reduced staffing as well as reduced funding for equipment and software, resulting in the use of outdated systems and a loss of efficiency;
- ***Reductions in administrative services***, which could result in failure to comply with mandates, untimely vendor payments, etc.;
- ***Reductions in course offerings*** or the elimination of high cost programs (potentially such as nursing and allied health) despite need. Impacts could include eliminating faculty positions and losing office hours, reductions in curriculum development, and other efforts to support the instructional program and student learning. Additional impacts could be increased class size or caps to enrollment, even as student demand is increasing. Workforce training opportunities will decline;
- ***Reductions in library hours***, denying access to this critical support service;
- ***Closure of colleges during the summer***, meaning that students will not be able to take classes during the summer and their completion of courses and programs will be delayed;
- ***Increases in tuition*** or the adoption of variable tuition for high cost programs, possibly even a mid-year increase or change. Negative impacts on access and affordability are likely.

Arizona's community colleges are the State's most affordable source of post-secondary education and training to upgrade job skills and re-career. This fall's large enrollment increases demonstrate our central and increasingly important role in revitalizing the Arizona economy. However, with additional State reductions, direct educational services will need to be reduced. Our ability to educate and train Arizona's citizens and therefore to help strengthen local business and industry and our overall economy will be constrained. Respectful of the significant budget shortfall facing the State, we urge you to minimize cuts to community colleges so that we may fully contribute to strengthening our State's economy and, in turn, become an even more significant part of the solution to the State's ongoing financial problems.

Cc: Patrick Makin, OSPB
Community College CEOs